



PROSECUTOR'S PRESS

Southeastern Pennsylvania Identity Crimes Task Force

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The Office of the U.S. Attorney for the Eastern District of Pennsylvania, the U.S. Secret Service, and the U.S. Postal Inspection Service recently announced that the Southeastern Pennsylvania Identity Crimes Task Force (SEPIC) is up and running. The collaborative effort involving local, county, state, and federal law enforcement aims to quell the ever rising tide of identity theft. To that end, the task force system enables law enforcement agencies to share informa-

tion. The recent indictment of Miguel Bell and more than four others is an illustration of the success of information sharing. Bell and his co-defendants are charged with stealing the identities of numerous bank customers and writing checks on their accounts. Local police departments in Deptford, NJ and Lower Providence, PA encountered members of the ring and, because they had knowledge of the ring, their



police work helped the investigation, leading to indictment.

If you think you may be a victim of identity theft, call your local police department and/or go to www.idtheft.gov.

A Message From the U.S. Attorney for the Eastern District of Pennsylvania

This quarter, our office closed the book on two sex tourism cases with the sentencing of Andrew Mogilyansky and the sentencing of Lawrence Scott Ward. The statute regarding sex tourism is relatively new. It was first passed in the late 1990s and amended in 2003. Its purpose is to deter wealthy Americans from traveling abroad to engage in sex with minors, usually in impoverished countries or communities.

Mogilyansky was a naturalized American citizen of Russian origin. He was a businessman and he traveled frequently to Russia on business. Our case involved one trip to St. Petersburg in which he persuaded the woman who ran an orphanage to release three 13-year old girls to him. He took them to a hotel where he forced them to engage in sex with him. He later turned these girls into prostitutes, who worked for him in Moscow. He pleaded guilty to the charges and was sentenced to 97 months in prison.

Lawrence Ward was a Wharton professor who traveled around the world. Our case in-

volved his trips to Brazil. When Ward landed at Dulles International Airport, returning from Brazil, a customs inspection revealed that he was carrying DVDs that showed him engaging in sex with a young teenage boy. Our office obtained a search warrant for his University of Pennsylvania office where federal agents found two envelopes that he had mailed to himself containing similar DVDs.

Ward was charged in the Eastern District of Virginia with the importation of child pornography and sentenced to 15 years. He was then brought to Philadelphia, where our office had charged him with sending the child pornography through the mails, and with inducing a minor to engage in sex. Ward was sentenced to 25 years in prison.

These cases are not easy to prosecute. They require a great deal of international cooperation. We have benefitted from the outstanding relationships that Immigration and Customs Enforcement has built in many countries. The cases often require the prosecutors to travel to the countries to interview

witnesses. The trials require bringing the victims to the United States, and providing round-the-clock security and translation services. They also involve difficulties of language and culture. Nevertheless, they are worth bringing. These pedophiles are the face of the United States to many poor countries. Not only do they irrevocably harm their young victims, they harm our image and our international standing. The defendants have the attitude that poor children in foreign countries are fair game. These cases demonstrate the price that they pay for having that attitude.

-Michael L. Levy





NUTS & BOLTS

The Office of the U.S. Attorney for the Eastern District of Pennsylvania represents the U.S. government in the nine county area making up the district. Those counties are: Berks, Bucks, Chester, Delaware, Lancaster, Lehigh, Montgomery, Northampton, and Philadelphia.

The criminal division prosecutes violations of federal statutes, such as bank robbery, public corruption, mortgage fraud, identity theft, terrorism, child exploitation, drug and gun crimes, and tax fraud, to name just a few. The Eastern District of Pennsylvania is also part of the Department of Justice's Route 222 Anti-Gang Initiative, whose purpose is to rein in gang and drug activity along the Route 222 corridor.

The lawyers in our civil division have gained national prominence for litigating cutting edge

cases. We have recovered billions of dollars for the government by aggressively prosecuting those who commit healthcare fraud, contracting fraud, and telemarketing fraud and those who foul the environment. Our civil division also defends the government, its constituent agencies, and its employees when they get sued. Lawyers in the civil division go to court in cases involving all types of accidents, employment decisions, and immigration disputes.

Fraud in Personal Care Homes

Taking our quality of care theme to a new venue, our office has focused on protecting citizens living in residential care facilities. Personal care homes often receive a resident's social security payments, veterans' benefits, or other federal funds to pay for the costs of shelter and care.

When the owner of a personal care home fails to properly use those funds or fails to properly care for the home's residents, it could amount to fraud.

Mortgage Fraud Task Force

Federal, state, and local government offices have joined together to work cooperatively in fighting mortgage fraud in Pennsylvania, with a focus on foreclosure and debt rescue schemes. Through resource and information sharing, the task force hopes to identify individuals and companies who take advantage of people whose mortgages are in financial distress. This model of cooperation has been used successfully in other areas, such as in the battle against gangs and drugs along the 222 corridor. And we are confident we will achieve the same level of success.

If you suspect you may be a victim of a federal crime, the U.S. Attorney's website has more information on whom to call to file a report. Go to www.usdoj.gov/usao/pae for help.

Preventing Crime with Reentry Court

The Eastern District of Pennsylvania is one of the first districts in the country to use an innovative approach to combating recidivism: a federal reentry court. The program, initiated in 2007, targets Philadelphia residents leaving federal prison who are at serious risk of committing another crime. The participants agree to attend bi-monthly court sessions before a federal magistrate judge. They attend court as a group and discuss their individual accomplishments as well as any challenges they are facing. They get positive feedback from the court for their accomplishments. For noncompliance, graduated sanctions are imposed. Upon successful completion of 52 weeks in the pro-

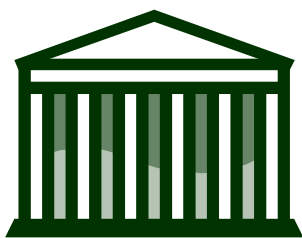
gram, they receive a reduction of up to one year in their term of supervised release.

The first six participants completed the program in September 2008. To date, 22 participants have graduated. Graduates of this program show a lower recidivism rate than the average ex-con who has left the federal penal system. Despite the risk of recidivism that exists before participants enter the program, graduates return to crime at a significantly lower rate than a non-participant under regular supervision. Reentry Court also saves taxpayer dollars; it costs about \$25,895 per year to incarcerate someone in a federal prison. In contrast, most reentry court graduates are working and paying taxes.

On November 10, 2009, the next class of eight graduates left reentry court with the hopes of progressively moving

their lives forward in a positive direction.

The program is a cooperative effort among the court, the federal probation office, the federal defender's office, and the U.S. Attorney's office. Many institutions throughout the city offer resources to program participants, including the Community College of Philadelphia, the public interest and *pro bono* programs of the Philadelphia Bar Association, the Workforce Investment Board, CareerLink, and prisoner reentry organizations.



Re-Entry Court

Let's Be Civil

This quarter, the civil division filed a civil forfeiture complaint against ten 1933 Double Eagle gold pieces, consistent with U.S. District Court Judge Legrome D. Davis' order dated July 28, 2009. The pieces were surrendered to the United States Mint by the descendants of Israel Switt. In addition to forfeiture of the 1933 Double Eagles, the government asks the court to declare that, with the exception of a single 1933 Double Eagle monetized and auctioned for more than \$7.5 million dollars in 2002, all other 1933 Double Eagles are the lawful property of the United States government.

Other results:

U.S. v Pfizer

Pharmaceutical manufacturer Pfizer, Inc. agreed to pay \$301 million, plus interest, to resolve civil liabilities for its off label marketing of the anti-

psychotic drug, Geodon. The agreement was part of a \$2.3 billion global settlement announced by the Department of Justice. The Eastern District of Pennsylvania settled allegations that Pfizer illegally promoted Geodon for a variety of off-label uses, marketed Geodon for ineligible patients, and encouraged inappropriate doses. Geodon was initially approved by the FDA for the acute manifestations of schizophrenia. FDA later expanded its approval for use in acute bipolar mania. But Pfizer allegedly marketed the drug for use in patients with depression, bipolar maintenance, mood disorder, anxiety, aggression, dementia, attention deficit hyperactivity disorder, obsessive compulsive disorder, autism, and post-traumatic stress disorder, none of which were approved uses for Geodon.

DOJ Facts:

The Judiciary Act of 1789, created the Office of the Attorney General, which was, originally, a one-person, part-time position.

The first Attorney General of the United States was Edmund Jennings Rudolph (picture at right) who served from 1789-1794.

Current U.S. Attorney General Eric Holder is the 81st person to serve in the position.

The Eastern District of Pennsylvania is one of 94 U.S. Attorney Offices.

The Department of Justice is comprised of 58 component agencies, such as the Federal Bureau of Investigation (FBI), the Drug Enforcement Administration (DEA), and the Bureau of Alcohol, Tobacco, Firearms, and Explosives (ATF).

You can find more information about the Department of Justice and can sign up for email updates by going to:

<http://www.usdoj.gov/>.



Edmund Jennings Rudolph
1st U.S. Attorney General
1789-1794

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Crime and Punishment

Between September 1, 2009 and December 1, 2009, our office filed charges against 143 defendants for crimes that included, among others, identity theft, false statements on a passport application, theft of funds from the Social Security Administration, armed robbery, obstruction of a federal audit, and false statements on an annual report. Full details of those indictments are available for view on our website:

www.usdoj.gov/usao/pae.

In October, a defendant who threatened witnesses was sentenced to 25 years in prison. Ricardo Ramos was convicted of firearms and drug trafficking charges.

He also threatened two people he believed would testify against him.

Defendant Sean O'Neill, of Delaware County, PA, was sentenced in October to 18 months in prison for tax, firearms, and immigration crimes. O'Neill lied on his application for a green card when emigrating from Ireland and did not disclose his prior convictions in the United Kingdom for his affiliation with a violent anti-British group.

The former CEO of Philadelphia Academy Charter School ("PACS"), Kevin O'Shea, was sentenced to 37 months in prison for defrauding the school. O'Shea admitted stealing between \$400,000 and \$1 million from PACS and using the money for himself.

S. Michael Palermo, of Philadelphia, pleaded guilty to conspiring with former State Senator Vincent Fumo to receive a contract from the Pennsylvania Senate Democratic Appropriations Committee ("SDAC"), under which Palermo received \$287,000 in state funds between 1999 and 2004 for providing little or no actual work to the SDAC. Palermo was a friend of Fumo's who worked as an aide to the former senator in the early 1970s, when Fumo was director of a Pennsylvania agency, and, again, as chief of staff in Fumo's legislative district office in Philadelphia.

MAYBE YOU KNOW OUR WORK

People routinely confuse us with the State Attorney General's Office and County District Attorney's Office. But even people who don't know who we are do know our work.

U.S. v. Fumo

We prosecuted Vincent J. Fumo, a former Pennsylvania state senator who was convicted of 137 counts in a corruption case that showed he misappropriated taxpayer and grant monies for his own personal uses. Fumo was sentenced to 55 months in prison.

The case was investigated by the FBI.

U.S. v. Eli Lilly

Pharmaceutical company Eli Lilly admitted that it engaged in illegal marketing practices and agreed to pay \$1.4 billion, which included the largest criminal fine in DOJ history. The company was marketing its drug, Zyprexa, for uses that

were not approved by the Food and Drug Administration (FDA).

The case was investigated by the Defense Criminal Investigative Service, the FDA, and the Department of Health and Human Services.

The prosecution team was honored with the Attorney General's Award for Fraud Prevention.

U.S. v Laikin

Our office indicted seven people, including the CEO of National Lampoon, Inc., Daniel Laikin. The charges of conspiracy and securities fraud stem from four separate schemes designed to artificially inflate the prices of publicly traded stocks. The object of the scheme was to get investors to purchase stocks at the fraudulently inflated prices so the defendants could then sell their shares for a profit. The scheme was discovered before any stocks were actually affected.

The case was investigated by the FBI and the U.S. Securities and Exchange Commission.

U.S. v. Worman

John Worman was sentenced to 120 years for videotaping his sexual abuse of children, including infants. More than one million pornographic images were found on his computer.

The case was investigated by the FBI and Delaware County Criminal Investigation.

U.S. v. Alton Coles

The drug dealer and self-proclaimed rapper was convicted of running a drug organization between 1998 and 2005 that distributed no less than

\$25 million of cocaine throughout the Delaware Valley. Coles, who also used the alias "Ace Capone" was sentenced to life in prison.

If you suspect you may be a victim of a federal crime, the U.S. Attorney's website has more information on who to call to file a report. Go to www.usdoj.gov/usao/pae for help.

WEED AND SEED : Working Together Works

Since 2006, West Philadelphia Weed and Seed Project has led an ongoing effort to restore *Clara Muhammed Square* which had become a haven for drug and prostitution activity. In response to community concerns, Weed and Seed helped form a "Friends of Muhammed Square" group, consisting of police, schools, residents, faith-based and community-based organization and businesses, to spearhead park revitalization fundraising and to host family and community-oriented activities in the park. Thirty (30) male volunteers from Christian Stronghold Baptist Church, Alpha Community Development Corporation and Clara Muhammed School created a Town Watch group that patrols the park and re-

ports all concerns twice weekly to the 16th Police District. To date more than \$500,000 has helped the community realize its vision for the park. One park now belongs to families in the neighborhood, instead of criminals. With the help of stakeholder volunteers, the 16th Police District, Philadelphia Green, Department of Recreation, and Councilwoman Jannie Blackwell, the park is now safe, clean, and a community destination for families, schools, and youth. Ground-breaking for Phase II revitalization, scheduled for Spring 2010, includes the installation of additional play equipment, flowering trees and shrubs, a learning center, and other extensive improvements.

